

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 L-03 CIAE-00
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FM AMEMBASSY HELSINKI
TO SECSTATE WASHDC 2472
INFO AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
AMEMBASSY REYKJAVIK
AMEMBASSY STOCKHOLM

UNCLAS HELSINKI 0755

E.O. 11652: N/A
TAGS: ELAB, FI
SUBJECT: SAK PRESENTS DEMANDS FOR DEVALUATION COMPENSATION

REF: HELSINKI 741,

1. MANEUVERING IN THE NEGOTIATIONS OVER COMPENSATION FOR THE FEBRUARY DEVALUATION (REFTEL) REACHED ANOTHER STEP MARCH 10 WHEN THE CENTRAL FINNISH LABOR CONFEDERATION SAK PRESENTED ITS SPECIFIC DEMANDS TO THE EMPLOYERS FEDERATION, STK. IN A UNANIMOUS MOVE BY BOTH SOCIAL DEMOCRATS AND COMMUNISTS, THE SAK CALLED FOR A GENERAL WAGE INCREASE OF THIRTY PENNIES PER HOUR, EQUAL TO 51 MARKS PER MONTH (ONE DOLLAR EQUALS APPROXIMATELY 4.14 FINNMARKS), TO TAKE EFFECT APRIL FIRST. THE SAK ALSO DEMANDED THAT BEGINNING THIS FALL THE WAGE INCREASES CONTAINED IN CURRENT COLLECTIVE BARGAINING AGREEMENTS BE GRANTED ON SCHEDULE INSTEAD OF BEING DELAYED AS THE UNIONS AGREED TO LAST DECEMBER.

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2. IN PRESENTING ITS DEMANDS, THE SAK STRESSED THEIR MODERATENESS, CLAIMING THAT THE THIRTY-PENNY WAGE INCREASE WOULD AVERAGE TWO PERCENT OF WAGES OR AN AMOUNT EQUAL TO THE PRICE RISE RESULTING FROM THE DEVALUATION, ALTHOUGH COMMUNIST KANSAN UUTISET INFORMED ITS READERS THAT THE WAGE HIKE WOULD BE 3.3 PERCENT. THE STK RESERVED ITS POSITION ON THE

SAK PROPOSAL BUT OBSERVED THAT THE WAGE HIKE WITH RELATED BENEFITS WOULD INCREASE EMPLOYERS' COSTS BY 2.5 PERCENT OR 500 MILLION MARKS, REMOVING MUCH OF ANY COMPETITIVE EXPORT ADVANTAGE AND INCREASED EMPLOYMENT PROSPECTS EXPECTED FROM THE DEVALUATION. FINAL REACTION WILL DEPEND ON POSITIONS TAKEN BY AGRICULTURAL PRODUCERS, FOREST OWNERS AND OTHER LABOR MARKET ORGANIZATIONS REGARDING THEIR OWN CLAIMS FOR COMPENSATION, BUT BY STATING SPECIFIC DEMANDS, AND DOING SO WITH UNANIMITY, THE SAK HAS PUT THE NEGOTIATIONS IN FOCUS.

RIDGWAY

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NNN

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